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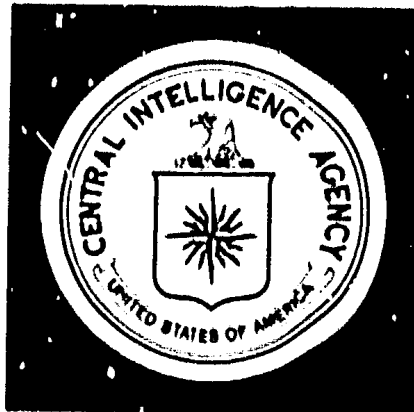
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This publication is prepared by the China branches of the East Asia - Pacific Division of the Office of Current Intelligence, with contributions from other offices within the Directorate of Intelligence and from the Directorate of Science and Technology. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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The Middle East War

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China's reaction to the Middle East war says a good deal about the limits of Chinese foreign policy in that region. Throughout the fighting China kept a low profile, supplying only strong verbal support to the Arabs. Chinese media have reported Arab military successes and emphasized Arab unity as exemplified in the military and economic contributions of various Arab governments to the war effort. Searching for ways to criticize the USSR, Peking has pointed to the continuing Jewish emigration from the USSR as a contribution to Israel's manpower. Having no basis for criticizing the Soviets for lack of military assistance, Peking has made only a few derogatory comments on the Soviet airlift to the Middle East.

At the outset, the Chinese made clear that they were determined to confine themselves for the most part to propaganda and diplomatic moves. A few days after the outbreak of hostilities, a ranking Chinese diplomat stationed in the Middle East said privately that China would not provide arms, noting that the Arabs were amply supplied by the USSR. Another senior Chinese official in Cairo emphasized the diplomatic nature of Peking's support of Egypt. This cautious approach was partially dictated by China's inability to match the material aid that the USSR was able to supply the Arabs. The Chinese did what they could, pledging \$10 million and 100,000 tons of wheat to Egypt, but they are aware that Soviet weapons are more important to Cairo.

The Chinese probably did not expect the Arabs to make significant territorial gains. Peking has never considered the Arabs ready to take on Israel militarily, and Chou En-lai's messages to Arab leaders and Chinese editorials on the current fighting have implied that the Arab "struggle" would be a long one. In this case, "struggle" connotes the total Arab-Israeli confrontation in all its political ramifications, including the problem of the Palestinians.

Privately, the Chinese probably believed that the war would be short because of Egyptian economic disabilities—one Chinese official on the scene actually said as much. In addition, Peking did not want to let the war harm US-Chinese relations. Although Peking does not hesitate to criticize both the superpowers for causing the unstable situation in the Middle East, Peking is more concerned over potential Soviet political gains accruing to Moscow than with US support for Israel. A Chinese diplomat in the Middle East remarked in mid-October that China has always been aware of the US commitment to Israel and finds it perfectly natural for Washington to provide the Israelis with military assistance.

The reaction of the Chinese media to the announcement of US plans to resupply Israel with arms was mild, as was the reporting of President Nixon's request

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to Congress for \$2 million of emergency aid for Tel Aviv. A Chinese diplomat in the Far East characterized the Soviet effort to aid the Arabs as far more objectionable.

Peking is pursuing its anti-superpower line in hopes of garnering what political gains it can from the situation. Chinese media have denounced the UN cease-fire resolutions--on which China refused to vote--as an attempt by the two superpowers to impose a "no-war, no-peace" situation on the Arabs, and the Chinese representative in the UN voiced similar criticism. Peking, at least in part constrained by Arab wishes, did not try to block the resolutions. By not voting, Peking acquiesced to Arab desires for a cease-fire without becoming associated in any way with the positions of the superpowers.

The realization that they possess inadequate means to influence decisively events far from their borders is galling to the Chinese. To mitigate this weakness they find it useful to play up the hegemony of the superpowers and their lack of concern for the interests of underdeveloped countries. In the meantime, the Chinese court the Third World--of which the Arabs are an important part. In the Middle East, this has meant that China must be content with being prepared to pick up any windfall that may come their way from Arab dissatisfaction with the policies of the superpowers, particularly the USSR. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM)

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Waiting for the National People's Congress--Still

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In 1969, after the top levels of the party were rebuilt out of the wreckage of the Cultural Revolution, the Chinese leadership turned its attention toward the reconstruction of the government. The culmination of this process was to be the National People's Congress (NPC), where the new government would receive automatic approval. Political flare-ups derailed the congress in 1970 and again in 1971, but the Chinese promised last summer that it would be held "soon." Although the NPC in theory is the highest organ of government, in reality it merely rubber-stamps the party's programs. Nevertheless, the Chinese attach some importance to the formality of NPC endorsement, noting, for example, that it is improper for China to be in the midst of an economic plan that has never been approved by the NPC.

Late-night activity at Peking's Great Hall of the People has been noted off and on for weeks, suggesting that China's leaders are working out the proposals to be submitted to the NPC. The NPC could have convened shortly after the party congress last August if the party leadership had been able to agree on these proposals. The vague pronouncements of the party congress, however, made it evident that the leadership would tackle such questions only after the party congress was out of the way. Although there has been some speculation that an opening date for the NPC was set but then postponed, those who reported that the party congress would be held in August also said the NPC would convene in November.

Personnel appointments, including government ministers and vice premiers, are probably among the items currently being discussed. The NPC is likely to name several more vice premiers to help share the load with China's overburdened premier, Chou En-lai. Before the Cultural Revolution, there were 15 vice premiers; now there are five, only two of whom are fully active. The top-ranked vice premier presumably is the current choice to succeed Chou.

Several top party officials will probably be appointed vice premiers. In the past, almost all Politburo members held some sort of government post; many of them were vice premiers. The new Politburo includes several top party officials, like Vice Chairman Wang Hung-wen and standing committee member Chang Chun-chiao, who have no position in the central government hierarchy. One of these men could conceivably replace Vice Premier Li Hsien-nien as Chou's top-ranking deputy. In addition, Mme. Mao and her protegee Yao Wen-yuan, the Politburo's two obstreperous leftists, occupy no government posts and are probably trying to win positions.

Although most of China's ministries now have designated chiefs, many of the ministers are military men; as such, their tenure is in question, especially since the military man who had been heading the Foreign Trade Ministry was removed in

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favor of a civilian. The minister of agriculture, also a military man, seems particularly vulnerable in view of agriculture's lackluster performance. Waiting in the wings is Tan Chen-lin, once the party's top agricultural specialist. Recently rehabilitated, he is currently without a job.

Aside from personnel appointments, which bring complex political and personal loyalties into contention, the Chinese also have policy issues with which to wrestle. Education, which was such a bone of contention before the party congress, is one such issue; another is economic policy.

Superimposed on these questions is what kind of administrative units should be set up to implement policies at the local level. Earlier, there was a move afoot to replace the revolutionary committees, administrative organs formed during the Cultural Revolution, with units more closely resembling those that existed prior to the Cultural Revolution. Some areas have moved to dismantle local revolutionary committees, in some cases merely taking down the signboards, but, in other instances, transferring personnel. At the recent party congress, however, Chou En-lai indicated a continuing role for the revolutionary committees. Apparently the decision to dismantle them was either made prematurely or was reversed.

As products of the Cultural Revolution, revolutionary committees--at least in name--are dear to the hearts of some leftists. The committees include workers and peasants, but some party leaders apparently would like to replace these people with seasoned administrators. A member of Chou En-lai's staff reportedly stated last July that, by way of compromise, the name of the revolutionary committees would remain unchanged to appease the leftists, but that the composition of the organizations would be changed. In any case, lower level revolutionary committees in Kwangtung and Sinkiang provinces continue to be dismantled.

The answers to these and other questions could be revealed at the NPC. In light of the magnitude of the questions, coupled with the Lin Piao crisis, it is not surprising that preparations for the meeting are taking time. (CONFIDENTIAL NO FOREIGN DISSEM)

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Sino-US Trade Steadily Improving

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The most dramatic increase in China's trade in 1973 will occur in trade with the United States. Sino-US trade is expected to jump dramatically from \$110 million in 1972 to between \$800 million and \$900 million in 1973. Chinese exports to the US in 1973 should reach \$60 million, and imports should push close to the \$800 million mark. The United States thus would move ahead of Hong Kong as China's number-two trading partner and close to Japan, China's leading partner.

The sudden increase in Sino-US trade occurred because the US became China's principal supplier of agricultural products. Contracts for 1973 delivery of grain, cotton, soybeans, and vegetable oil total about \$650 million. Other US items going to China this year are fertilizer, synthetic fibers, scrap metals, and tobacco. In addition, five of the ten Boeing 707s sold to the PRC—worth about \$75 million with spare parts—are scheduled for delivery this year. Deliveries of machinery and equipment for three large ammonia plants worth \$75 million sold to China by a US firm probably will not begin before 1974 and thus will not show up in trade statistics this year.

Although Sino-US trade has developed rapidly during the past two years, Peking continues to finance trade through third-country banks with branches in the United States. This policy may be gradually changing. David Rockefeller of Chase Manhattan Bank visited Peking in July and negotiated an agreement for Chase to become a correspondent of the Bank of China. This was the first formal banking relationship between an American bank and the Bank of China in a quarter of a century. Under the terms of the arrangement, Chase will handle foreign remittances and travelers' letters of credit. A more complete banking relationship is expected to be formalized after the US and China reach agreement on the blocked assets question.

The problem of blocked assets has not affected the development of direct trading relations between China and American businessmen. A record number of Americans are expected to attend the month-long Canton Fair that opened on 15 October. Peking has permitted an increase in US representation at each of the last three fairs—from 40 Americans in the spring of 1972 to about 160 last spring. The US contingent at the fall fair will include the first representatives from the National Council for US-China trade. Commercial officers from the United States Liaison Office in Peking will make an official appearance at the fair to aid US businessmen.

The level of Sino-US trade in 1974 and subsequently depends heavily on the size of American agricultural exports to China. The sharp jump in trade in 1973 occurred not only because China had a mediocre harvest in 1972, but also because

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tight world supplies forced China to turn to the US as the primary supplier of grain and cotton. This high degree of dependence on the US is not likely to continue, as the recent contract for Canadian grain indicates. US machinery and equipment sales to China have so far been narrowly based, with a single aircraft deal making up almost three quarters of the total, and the value of new contracts may decline.

Nevertheless, Chinese spokesmen have repeatedly stated that China plans to purchase increasing amounts of modern equipment and advanced technology from the United States. Chances are good that the Chinese will buy additional whole plants from American firms. Negotiations are currently under way with US companies for a variety of machinery and equipment. The Chinese seem particularly interested in obtaining oil-drilling and mining equipment, conventional and nuclear power plants, electronic equipment, and advanced technology for the petrochemical industry. (CONFIDENTIAL)

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On the Thai Coup

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China's public reaction to the political upheaval in Thailand has been cautious. The Chinese press did not begin criticizing the policies of the deposed Thanom-Praphat government until it was clear that its leaders had left Thailand and the new government was firmly installed. At first, criticism of the former government was relatively mild, and it has only gradually sharpened. Chinese comment on the Thai student movement and the new government has been positive, but Peking has stopped short of a categorical endorsement—a hedge, no doubt, against a further upheaval. An authoritative article in *People's Daily* on 18 October, for instance, indicated that the just struggle of the Thai people has yet to be fulfilled and that "contradictions" remain in the relations between the Thai people and ruling circles. By contrast, a statement issued by the central committee of the Thai Communist Party on 16 October said that the new government "represents imperialism, feudalism, and bureaucratic capitalism" and that further changes should be made.

Peking clearly is keeping the long-range goal of normalized relations uppermost in mind. The article in *People's Daily* did not mention the new Sanya government by name, nor have the Chinese linked the fluid political situation to the Thai Communist Party or called for Thai independence from the US.

Judging from the Peking press, the Chinese want to wait for a better reading of the new Thai government's durability and its foreign policy intentions before making any significant political initiatives. Just before the upheaval in Bangkok, the Chinese reportedly had indicated they were interested in a visit to Peking by high-level Thai leaders and in discussions aimed at composing differences over Chinese involvement in Thailand's insurgency. There is so far no information that Peking has renewed this reported offer to the Sanya regime. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM)

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Problems with Disaffected Youth

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Peking has recently been trying to reform and regularize the down-to-the-countryside youth movement so as to correct long-standing abuses in this aspect in the training of "revolutionary successors." The reforms, however, will have only a limited impact on many youth already alienated by the harsh and, in their view, unjust treatment they received during and since the Cultural Revolution.

Several documents issued by Peking in the last few months admit that the program has been undermined in a variety of ways. Officials have been bribed to give favorable assignments; the children of certain leaders have received special treatment; and many rusticated youths have suffered from the hostility of peasants and have received unequal remuneration for labor; some have been physically abused. The program has also been hampered by unenthusiastic administration, especially in south China, where youths who have returned illegally from rural areas have created a crime problem in the cities.

The central authorities are taking a carrot-and-stick approach. Cash payments have reportedly been authorized to defray initial rural settlement expenses, and relief measures have been granted to certain families. Retributive measures and the promise of future campaigns against those who interfere with the youth movement have also been widely publicized. Youth have been put on notice that the administration of the rustication program is going to be tightened, and a roundup of young people illegally residing in cities is reportedly about to begin.

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_____ was told that a crackdown would begin there after National Day celebrations on 1 October.

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_____ a rally in late July at which 30-40,000 cadres were addressed by provincial boss Han Hsien-chu. Han's hard-hitting speech described the fate of several former ranking officials who were accused of maltreating and sexually abusing youths sent to rural areas. These officials, he said, had been arrested, and a few of the worst offenders had been executed. Han also announced that a special office of the provincial revolutionary committee had been established to implement Peking's instructions on youth work. _____ from Shanghai and from Yunnan Province suggest that the reforms are being introduced nationwide.

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These improvements will no doubt be appreciated by the thousands of youths now in the countryside, but they are too late to redress the grievances of their predecessors sent down during the Cultural Revolution. Judging from the testimony of former Red Guards who left China, letter intercepts, and reports of border crossers, many youths have concluded that they were exploited during the Cultural Revolution and its aftermath. Cadre corruption, peasant hostility, and the lack of

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opportunities for higher education are continuing to cause resentment among recent middle-school graduates. Despite the regime's propaganda, many urban youths fear that they will be forced to spend much of their adult life in the countryside.

This disenchantment may or may not have a long-term effect on this generation of Chinese youth, but they are bound to carry a certain cynicism and opportunism as they make their way through the system. Future leaders from this generation may be much less disposed to maintaining revolutionary principles than the country's current leaders. This would be ironic because a stated objective of Mao's Cultural Revolution was to prevent just such an eventuality by providing China's youth a "revolutionary" experience of their own. (SECRET NO FOREIGN DISSEM)

Trudeau Visit in Low Key

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During Prime Minister Trudeau's recent visit, the Chinese played down international affairs and concentrated on concluding a number of bilateral diplomatic, economic, and cultural agreements. Chou En-lai discoursed in general on the dangers of detente and the reality of superpower contention in a speech soon after Trudeau's arrival, but in subsequent public statements Chou avoided any direct comment on the international situation or the Middle East. In private, the Canadians found their hosts taciturn on even a favorite theme, the Soviet threat. In fact, the Canadians had to initiate a discussion on the issues of detente and a European security conference, and Chou's response was a pro forma warning on Soviet untrustworthiness. Chou's treatment of the US was consistently mild. He said the US practiced "hegemonism" only in response to Soviet pressure.

This low-key approach was in marked contrast to Peking's behavior during the visit last month of President Pompidou. Members of the Pompidou delegation were constantly lectured on how Paris should view Moscow's foreign policy. The Chinese found that these heavy-handed tactics got them nowhere with the French and may have concluded that they should not make the same mistake twice. At Peking's suggestion, the two sides agreed not to attempt to draw up a final joint communique, thus avoiding the airing of differences on international issues that were evident in the communique that followed Pompidou's visit.

The bilateral agreements concluded substantially expanded the already large number of links between the two countries. Peking is authorized to open a consulate general in Vancouver, and Ottawa can locate a consulate general in either Shanghai or Canton. A three-year trade agreement was signed, setting up a joint commission to consult annually on Sino-Canadian trade. The Chinese also agreed, "When importing complete plants, China will consider Canada as a source of supply." An extensive program of cultural and scientific exchanges to begin in the spring of 1974, was also arranged. (CONFIDENTIAL NO FOREIGN DISSEM)

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A New Head of Foreign Trade

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Another military man has lost a civilian job. Pai Hsiang-kuo, foreign trade minister since 1970, was replaced on 19 October by the ranking vice minister, Li Chiang, a civilian who has dealt with trade matters for two decades. Pai was apparently caught in the bargaining that is preceding an NPC, the rubber-stamp legislature that approves personnel appointments in the government bureaucracy. His replacement by Li, who has in fact been the real power in the Foreign Trade Ministry since the Cultural Revolution, suggests that China's current trade policy will remain essentially intact.

Foreign trade was one of the areas that came under attack in the hectic weeks before the party congress. An English-language magazine warned against accepting "imperialist charity," and *People's Daily* deplored "begging for outside help." Pressures such as these, coupled with Pai Hsiang-kuo's particular vulnerability as a military man, may have prompted the change. Premier Chou has recently seemed dissatisfied with the work of the ministry, but he placed the blame on uncooperative vice ministers. Chou claimed the vice ministers do not listen to him and fail to do their homework. Since Pai's removal leaves foreign trade in essentially the same hands as before—those of Li Chiang—it appears that the basic reason for the change was that Pai was a military man holding a civilian post.

Pai Hsiang-kuo made the transition from military to civilian duties with notable success. Despite his lack of experience, he learned quickly and, with Chou's apparent support, was soon sent abroad to conclude trade agreements. There were, however, limits to Pai's authority. On several occasions, it was Li Chiang who signed agreements on behalf of the Chinese even though Pai was present. Pai was not elected to the new Central Committee last summer; Li has been a member since 1969.

It was rumored last winter that Pai would return to the military to assume the still-vacant chief of staff job. His failure to make the Central Committee seems to put that post out of reach, but it does not rule out a lesser military position. Li Chiang [REDACTED] that Pai had been reassigned to the military. An obvious attempt was made after the party congress to show that Pai was still in good standing. He was identified in his ministry position immediately after the congress and through early October. The record offers little reassurance to other military men in civilian posts, however, and Pai's removal is likely to increase the apprehension within the military. (CONFIDENTIAL NO FOREIGN DISSEM)

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Grain Imports from Canada and Australia

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Peking recently signed agreements with Canada and Australia to buy wheat over the three calendar years 1974, 1975, and 1976. Canada will deliver a maximum of 6 million tons, and Australia will ship up to 4.7 million tons. Contracts will be signed at six-month intervals at prices current at the time. At today's prices, the two deals would cost the Chinese about \$2.1 billion for the grain, an additional \$100 million for shipping.

The signing of long-term agreements with more than one supplier reflects Peking's concern over the low rate of growth in domestic grain output and uncertainty as to the availability of grain on the world market in the future. Peking is also seeking to avoid a repetition of the problems it encountered in late 1972 when the Canadian dock strike and tight world supplies of grain forced China to turn to the US for wheat and corn. The US became Peking's principal supplier, providing almost 60 percent of China's grain imports in 1973. Peking has already contracted for 1.5 million tons of US grain for 1974, and is negotiating for more.

The deals with Canada and Australia are not aimed at excluding the US from the Chinese grain market. In fact, the Chinese have stated they prefer to deal with the US because of the great diversity and volume of agricultural commodities available. While the US share of the Chinese market will undoubtedly decline from the high level of 1973, the US will continue to be a major supplier of Peking's grain imports. These imports are expected to average about 6.5 million tons annually during the period 1974-76, of which about 3.5 million tons will be supplied by Canada and Australia. While France and Argentina can be expected to supply some of the remainder of China's needs, most is likely to come from the US. (SECRET NO FOREIGN DISSEM)

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Another Former First Secretary Returns 25X1A

One of the principal victims of the Cultural Revolution has returned to an important provincial position. Li Pao-hua, the former first secretary of Anhwei Province who was replaced in 1967, headed a recent turnout in Kweichow Province. Li is one of six former provincial first secretaries rehabilitated at the Tenth Party Congress, and the first of the lot to appear outside Peking. Also present was Chang Jung-sen formerly the number-two man in the province. Chang has been out of sight and assumed purged for two and a half years.

The appearance of Li in Kweichow further complicates the already confused leadership picture in the province. Lu Jui-lin, the military man sent in to restore order last spring, has headed provincial turnouts since that time, but he was in Peking when Li appeared. Thus, it is not clear whether Li outranks Lu. Kweichow leaders, none of whom has been designated first secretary since late 1971, are still being referred to as "responsible persons" a sure sign that their rank order remains unsettled and controversial. i.e. two provincial conferences held since Li's arrival, broadcasts reporting the conclaves avoided listing those who attended.

Li's presence in Kweichow is indicative of Peking's continuing effort to return once-disgraced provincial leaders to responsible positions. Ten former provincial first secretaries have been rehabilitated in the last two and a half years. Li is the fifth to be appointed to a provincial party committee; only one is again a first secretary. Twenty-six other veterans, secretaries and deputy secretaries before the Cultural Revolution, have also been reinstated. The rehabilitation last week of Wang Chien, ex-governor and second secretary of Shansi, is the latest in this category. The return of these civilian cadre to official positions not only makes available their expertise, but also dilutes the military's influence in the provinces, a prime goal of the central leadership.

Opposition to the return of these veterans continues to be evident in the media. Several newspaper articles and radiobroadcasts have stressed the need to "learn from experienced cadre," and others have criticized any tendency toward "regionalism," an apparent reference to provincial resistance to Peking's policy. The crux of the opposition seems more a matter of special circumstances than of policy, however; the real controversy is over who is to return and where the returnee is to be assigned. (CONFIDENTIAL)

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Chinese Pour Into Hong Kong

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Hong Kong is experiencing the largest legal influx of Chinese since 1949. If present trends continue, 60,000 Chinese may enter the colony legally this year, compared with approximately 20,000 in 1972 and 2,000 in 1971. These figures do not include the 15,000 or so illegal entrants "freedom swimmers" who arrive each year.

The increased immigration into Hong Kong stems from liberalization of Peking's policy on exit permits. Most of the legal immigrants are either Overseas Chinese disillusioned with life in China or wives and dependents of Chinese living abroad. Theoretically, all those who receive exit permits are expected to visit Hong Kong only temporarily before continuing to other destinations or returning to China. In fact, the majority remain in Hong Kong.

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Many of those leaving the country are from Kwangtung Province. [REDACTED]

[REDACTED] over 80,000 applications have been received since the liberalization of the issuance of exit permits in late 1971 and early 1972. Approximately 300,000 Overseas Chinese live in this province. About 10 to 15 percent of these applications were approved. Applications from medical doctors, scientists, party members, security officials, and employees of communications offices are usually rejected.

The Overseas Chinese have always been a problem for Peking. Their remittances are welcome, and those with critical skills are very useful, but the unskilled laborers and young dependents add nothing to China's resources—they are just so many more mouths to feed. Moreover, many adult Overseas Chinese who have returned to China apparently have had trouble adjusting to the Chinese Communist society. Peking apparently is now engaged in a winnowing operation, allowing the more unproductive Overseas Chinese to leave. The PRC has pursued this course before. In 1956, some 56,000 Chinese entered Hong Kong; in 1962, about 60,000 more squeezed into the colony.

Hong Kong plays a special role in Peking's Overseas Chinese policy. In spite of its restrictions on the number of exit permits issued for travel to Hong Kong, the PRC contends that Hong Kong is part of China and that therefore any Chinese has a right to live or visit there without restriction by the Hong Kong or British governments. The current relaxation of restrictions is putting increased strain on the colony's welfare, housing, educational, and medical resources. The British have not yet raised the subject with Peking, but consultations are under way between Hong Kong, London, and the British Embassy in Peking on ways to seek China's cooperation in controlling the numbers pouring into the colony. (SECRET NO FOREIGN DISSEM)

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Political Notes

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Chen Hsi-lien

Liaoning party boss Chen Hsi-lien, fresh from his success in helping to curtail the use of university entrance examinations, introduced a new theme in September that is now getting national coverage. The Liaoning newspaper praised Emperor Chin Shih long considered one of China's cruelest tyrants for closing schools, burning books, and killing scholars. The paper added that these measures had been suggested by Chin's "premier." Unflattering parallels between Mao and the Emperor were apparently drawn by Lin Piao, and the current defense of Chin Shih Huang is probably intended at least in part as a defense of Mao. More important the defense of essentially anti-intellectual policies, which is cast in terms of protecting and transforming China, appears to be a justification of Chen Hsi-lien's action in bringing the examination question to a head prior to the Tenth Party Congress. Moreover, the paper's repeated references to the Emperor and his premier may be an effort to link the chairman and Chou to the decision to back away from entrance exams. The link is probably uncomfortable for Chou, who seemed reluctant to curtail examinations. Chen, a military man who sits on the ruling Politburo, probably has several reasons for putting pressure on Chou. One may be a bid for appointment to a government post, most likely a vice premiership, at the NPC. (CONFIDENTIAL)

Wang Hung-wen

For the third time running, party vice chairman Wang Hung-wen has greeted foreign visitors at the door of Mao's residence. Although NCNA has, curiously, omitted references to the door-opening in its last two accounts of Mao's meetings with foreigners, television coverage of the meetings has shown Wang as doorman. This is part of a concerted effort to explain young Wang's rapid rise in terms of his closeness to Mao and to keep before the public an image of youthfulness within China's aging leadership. Foreign Minister Chi Peng-fei told his subordinates that Mao specifically requested that young people be elevated to vice chairmen. Wang was the only young official so named, edging out the one other young member of the leadership, Yao Wen-yuan, whose uncompromising leftism has antagonized most of China's leaders. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

Shansi Leadership

Wang Chien, the ex-governor of Shansi and the number-two man on the provincial party committee until his fall early in the Cultural Revolution, has returned to his old province. According to a provincial radiobroadcast, Wang, who first reappeared in August at the Tenth Party Congress, addressed an industrial production conference in Taiyuan on 13 October. Wang was identified as a secretary of the provincial party committee.

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Wang undoubtedly retains strong ties to many cadre in Shansi, and his re-emergence may place him in competition with the present number-two man in the province, Tsao Chung-nan. Tsao, a military man who rose to prominence when he helped stabilize faction-ridden Shansi during the Cultural Revolution, has appeared infrequently since April 1972. Wang's return to Shansi is the latest move in Peking's continuing effort to reduce the military's influence in the provinces by increasing the number of civilians on party committees. (CONFIDENTIAL)

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8-17 Oct Swedish Army Commander General Carl E. Almgren ends visit to PRC. (U)

10-17 Oct Canadian Prime Minister Trudeau visits China. Trade and consular agreements signed. (U)

16 Oct PRC trade delegation arrives in Argentina to negotiate trade agreement. (U)

17 Oct China plays instrumental role in helping place Sihanouk claim to Cambodian UN seat on the UN agenda. (U)

19 Oct China and North Vietnam sign trade pact and protocol on Chinese economic assistance for next year. (U)

Li Chiang named foreign trade minister, replacing Pai Hsiang-kuo, a military man. (U)

20 Oct Burundi trade delegation arrives in Peking. (U)

21 Oct Guyanese trade delegation arrives in Peking. (U)

23 Oct Hsieh Pang-chih leaves to become first PRC ambassador to Upper Volta. (U)

26 Oct Sudanese Foreign Minister Mansur Khalid arrives in Peking. (U)

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